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Assistant Director, ORE

Assistant Director, OSO

Staff Study: Production of National Intelligence

Document No. <u>4</u>
No Change in Class. <input type="checkbox"/>
<input type="checkbox"/> Declassified
Class. Changed to: TS <u>(b)</u> 1984 24 July 1950
Next Review Date: _____
Auth.: HR 70-3
Date: 26 JAN 1979 By: <u>92</u>

1. In accordance with your request, there are set out below OSO comments on the Staff Study, entitled as above, dated 1 May 1950, and prepared by the Departments of State and Defense for submission to the NSC.

2. In general, it is felt that the proposals involved in this Staff Study, while they have some merit, are relatively unrealistic. Full implementation of this Staff Study as prepared makes no real provision for the increased production of intelligence. In addition, it creates another bureaucratic superstructure which it is felt is likely to be so unwieldy and time-consuming as to be unworkable.

3. On Page 2 certain references are made to NSC 50, including particularly a comment that the quality of national intelligence estimates has not substantially improved since the issuance of NSC 50. However, it appears quite unbefitting for State and Defense to cite a failure to improve national intelligence estimates since the passing of NSC 50, inasmuch as the implementation of vital sections of NSC 50 necessary to that improvement has been blocked for almost one year by the bureaucratic obstructionism of the Departments of State and Defense. This Staff Study not only makes no mention of the fact that it has not been possible for CIA to implement substantially the provisions of NSC 50 because of the obstructionist tactics of State and Defense, but by implication blithely assumes they have been implemented and that therefore CIA is culpable for not improving the situation as a result of that Directive.

4. Considerable stress is laid on the necessity of revising mechanisms and procedures of the NSCID. No such revision is likely to be effective unless at the same time it provides for a greater assertion of coordination and direction in the field of national intelligence problems by the CIA. The setting up of an intelligence group of 100 individuals, including nominees from departmental agencies, does recognize, perhaps, a basic need; i.e., the need for a current concentrated approach to the problem of national intelligence estimates. It is felt, however, that it is unsound to set this up as a separate group, and that there is no practical reason why this function should not be properly assigned within the organizational framework of ORE. Clear provisions should, of course, be made for the control of any such group or function by CIA without any involved mechanism of necessary agreement by all participating agencies.

5. On Page 2 of the proposed NSC Directive, which is attached to this Staff Study, the following statement appears: "Intelligence which has not been

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so produced (meaning in such a way that departmental views and contributions are brought to bear at all stages of production) should not be disseminated as national intelligence." It is felt that this provision is unacceptable for two basic reasons. First, it is in derogation of the responsibilities of CIA for the production of national intelligence estimates; and secondly, it is likely to lead to a continuation of the present situation whereby the fulfillment of that responsibility may be impaired and materially held up by the necessity of securing concurring views or dissenting views from all departmental agencies. Obviously, national intelligence estimates should be no limitation on their production where necessary and advisable which would require an endless procedure of coordination.

6. With regard to the provision in Paragraph 2, Page 2, of the proposed NSC Directive, a clear statement should appear that the individuals on full time duty at IAC Headquarters representing the various agencies, are in an advisory capacity and subject to the control of the DCI. It is felt that exception should be made to the last sentence in Paragraph 3 of Page 3 of this proposed Directive to cover emergency situations. Particular attention is invited to Paragraph b(h) on Page 4 of the proposed NSC Directive which allocates to IAC the responsibility for the conduct of all discussions with foreign intelligence agencies respecting the formulation of combined national intelligence estimates, etc. This provision is deemed to be completely unacceptable. The responsibility so allocated is one primarily within the function and jurisdiction of CIA. Allocating this responsibility as such to a committee in the form of the IAC can only lead to confusion, to lack of effectiveness, to improper organization for counterespionage and operational factors and possibly to the dissipation of intelligence assets presently possessed by virtue of our dealing with those foreign intelligence services.

7. With regard to Paragraph 7(c) on Page 7, the preparation of "hot" information for dissemination by the DCI should not be limited to the current intelligence staff and clear provision should be made, in cases where necessary and advisable, for the direct handling, without reference to any current intelligence staff, of "hot" information produced, for example, by OSO.

8. Your particular attention is directed also to Paragraph 8(c) at the top of Page 9 of this proposed Directive, which provides that the current intelligence staff shall be furnished, in the most expeditious manner possible, all information of possible significance, including the intelligence content or implications of operational messages. It is felt that this statement is too broad. Obviously such a group, if set up, should be given the benefit of pertinent intelligence information, but a more clear distinction should be made prohibiting them from dabbling in operational matters.

9. The exact meaning of Paragraph 9(a) on Page 9 is not understood. Paragraph 9(b) on Page 9 should contain a specific excepting provision outlining the responsibility and jurisdiction of OSO in the production of finished counterespionage intelligence and counterespionage information or intelligence should not come within the purview in any way of the national intelligence

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group except as furnished by OSO for its intelligence value. The same type of excepting provision should be inserted in Paragraph 9(c) on Page 9.

10. It is felt that if, as provided for in Paragraph 10(a) on Page 10, the Director of Central Intelligence is made primarily responsible for the implementation of this Directive, a clearer statement of his authority in that connection should appear vis-a-vis the other pertinent departments and agencies.

11. Paragraph 10(c) on Page 11 of the proposed Directive is considered unsound. It is not felt that the responsibility of CIA for the production of national intelligence should be conditioned upon drafts and recommendations from and by the IAC. Further, Paragraph 10(d) on Page 11 is too restrictive, particularly in providing that national intelligence shall not be disseminated without "a statement indicating concurrence of the members of the Intelligence Advisory Committee, or when there is a non-concurrence, a statement of substantially differing opinion." Some provision should be made for the immediate dissemination of national intelligence in crises and other situations, of all material which the Director of Central Intelligence considers should be so disseminated without delay or other restriction.

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